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**FISCAL IMPACT STATEMENT**

**LS 6972**

**BILL NUMBER: SB 302**

**NOTE PREPARED: Jan 4, 2010**

**BILL AMENDED:**

**SUBJECT:** Statewide 911 System and Fees.

**FIRST AUTHOR:** Sen. Hershman

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
☐ **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill establishes the 11-member Statewide 911 Board (Board). It provides that the Treasurer of State serves as the chair of the Board.

The bill establishes the Statewide 911 Fund. It appropriates money in the fund. It provides that the Board shall administer the fund. It requires the Board to impose a statewide 911 fee on each standard and prepaid subscriber of voice communications service in Indiana. It deposits fees in the fund. The bill also prohibits a state agency or a political subdivision from imposing any additional fee relating to the provision of 911 service.

The bill specifies the manner in which the Board distributes money from the fund to public safety answering points (PSAPs). It specifies the permissible uses for funds distributed to a PSAP. It allows a county to establish an emergency telephone notification system. The bill also requires a voice communications service provider to provide to a PSAP the necessary subscriber data to enable the PSAP to implement and operate a 911 system.

The bill provides that proprietary information submitted to the Board is confidential. It provides that after June 30, 2014, a county may not contain more than one PSAP. It requires each political subdivision or agency that operates a PSAP in a county containing more than one PSAP, not later than July 1, 2014, to enter into an interlocal agreement with every other political subdivision or agency that operates a PSAP in the same county. The bill also provides that the interlocal agreement must: (1) provide for the staffing and funding obligations of each county, political subdivision, or agency participating; and (2) be approved by the Board.

The bill makes conforming amendments. It repeals the statutes concerning: (1) the local monthly enhanced

emergency telephone system fee; (2) the statewide monthly wireless enhanced 911 fee; and (3) emergency telephone notification systems. It provides for the expiration on July 1, 2014, of provisions that: (1) establish a public safety communications system and computer facilities district in a county having a consolidated city; and (2) allow certain other counties to establish a public safety communications systems district. It also specifies that the remaining funds are transferred to the new Enhanced 911 System Fund.

The bill specifies that funds remaining in: (1) the Wireless Emergency Telephone System Fund; (2) a county wireless emergency telephone system fund; or (3) a county or municipal wireline emergency telephone system fund; on July 1, 2010, are transferred to the Statewide 911 Fund.

**Effective Date:** Upon passage; July 1, 2010; July 1, 2014.

**Explanation of State Expenditures:** *Statewide 911 Board:* This bill creates the Statewide 911 Board. The Board consists of 11 members and is responsible for administering the Statewide 911 Fund. The Board must also set procedures for the collection and remittance of the Statewide 911 fees, and distribute appropriate amounts to each PSAP. The costs of administering the Statewide 911 Fund will be paid from the fund. The bill also allows the Board to retain at least 1% of remitted fees to reimburse the costs associated with administering the collection and remittance of fees. The bill provides an expiration for the current Wireless E911 Advisory Board and state and local 911 fees.

**Explanation of State Revenues:** *Statewide 911 Fee:* This bill imposes a \$1.00 fee for 911 services throughout the state. This fee is required to be imposed on any voice communication service subscriber within the state. The bill defines voice communications service to include voice over internet protocol (VOIP), multi-line telephone system, voice over power lines, and commercial mobile radio service (CMRS). The bill also repeals the authority for any other state or local fees to be imposed for 911 services.

The amount of the increase in revenue will ultimately be determined by the number of subscribers which are charged the fee that were not previously being charged this fee. The amount of any increase will also depend upon the actual collections by local governments under the new fee as compared to variable fee rates charged on only wireless and land line subscribers under current law. The fees are deposited in the Statewide 911 Fund. The fee is required to be imposed by the voice communication service providers, who are eligible to retain 1% of the fees for collection expenses. Sellers will collect fees from prepaid subscribers, and may retain 1% of the fees for collection expenses. The current wireless emergency enhanced 911 fee is .50 per phone per month, and the enhanced emergency telephone system fee for land line phones varies by county, from about .40 to \$3.25 per phone per month.

*Statewide 911 Fund:* The bill creates the non-reverting Statewide 911 Fund, which will be administered by the Statewide 911 Board. The Statewide 911 fees will be deposited in this fund, and distributed to PSAPs as determined by the Board. The bill provides that funds remaining in the Wireless Emergency Telephone System Fund will be transferred to the Statewide 911 Fund in FY 2011. Also, funds remaining in a county's wireless emergency telephone system fund and emergency telephone system fund, and a municipality's emergency telephone system fund will be transferred.

**Background Information** - The current fee assessed for the wireless emergency enhanced 911 fee is .50 per phone per month. Revenues received from this fee for FY 2005 through FY 2009 are provided in the table below.

<b>Fiscal Year</b>	<b>Revenue</b>
2005	\$24.1 M
2006	\$30.5 M
2007	\$32.2 M
2008	\$24.7 M
2009	\$27.4 M

**Explanation of Local Expenditures:** This bill could increase local expenditures for compliance with the provisions in this bill requiring interlocal agreements and between local units that operate separate PSAPs within the same county. The bill does not require these agreements until July 1, 2014; therefore, the impact may not fully be realized until FY 2015. It is also estimated that some of these costs could be offset by the estimated increase in overall 911 fee revenues.

**Explanation of Local Revenues:** The bill provides that the Board will distribute the Statewide 911 fees to each PSAP in an amount determined by the Board.

**State Agencies Affected:** Treasurer of State; Department of Homeland Security.

**Local Agencies Affected:** Public safety answering points.

**Information Sources:** Ken Lowden, Indiana Enhanced Wireless 911 Board, 317-234-2507.

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